

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
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For Immediate Release

NEWS RELEASE SUMMARY - August 2, 2004

United States Attorney Carol C. Lam announced that two defendants associated with the \$300-million PinnFund, U.S.A. ("PinnFund") Ponzi-scheme scandal were sentenced today in United States District Court in San Diego by the Honorable Marilyn L. Huff. Defendant TOMMY A. LARSEN, former president of PinnLease, Inc., a PinnFund subsidiary, was sentenced to serve 78 months in custody and three years of supervised release thereafter for his central role in: 1) scheming to obtain funds for PinnFund through fraudulent equipment leases, and laundering kickbacks of those funds to PinnFund and himself through sham transactions and false invoices; 2) obstructing justice by providing false testimony in a federal district court; and 3) evading taxes with respect to his 1999 and 2000 income charging personal expenditures to PinnFund, by structuring his compensation to avoid payroll taxes, and by hiding the proceeds of illicit activity in offshore financial institutions. Defendant TOMMY A. LARSEN was also ordered to pay restitution in the amount of \$6,689,908. Tommy A. Larsen's sentence followed his conviction by guilty plea on December 5,

2003 to Counts 2-15 and 21-23 of the indictment, including the following offenses: mail fraud, wire fraud, money laundering, obstruction of justice, and tax evasion.

Defendant KIM A. LARSEN, the son of defendant TOMMY A. LARSEN, and head of Copy Fax, Inc., a PinnFund supplier/vendor, was sentenced to serve 21 months in prison for his role in the fraudulent equipment lease scheme. He was also sentenced to two years of supervised release to follow his period of incarceration and ordered to pay a fine in the amount of \$5,000. KIM A. LARSEN's sentence was based on his guilty plea on February 14, 2004 to a one count superseding information charging him with making a false statement to a federal officer.

United States Attorney Carol C. Lam stated, "These sentences address an extensive and sophisticated leasing fraud that helped keep the central PinnFund Ponzi scheme going. They represent another step in our ongoing effort to hold accountable all those whose fraudulent conduct contributed to the PinnFund debacle."

DEFENDANTS

TOMMY ALLEN LARSEN

KIM ALLEN LARSEN

INVESTIGATING AGENCIES

Federal Bureau of Investigation

Internal Revenue Service – Criminal Investigation